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CONSUMER PROTECTION
SECTION

Consumer Tips For Storm Victims

Even in emergency situations it pays to be a smart consumer.

Unscrupulous con artists prey on people who are down on their luck. The following tips have been compiled by Louisiana's Office of the Attorney General to help protect you from becoming a victim of fraud or deception. More tips and information can be found by logging on to www.agbuddycaldwell.com

To Report Contractor Fraud, call the Consumer Protection Hotline at 1-800-351-4889.

GUIDELINES and MODEL CONTRACT FOR HOME REPAIR CONTRACTING

If your home or property has been damaged by a natural disaster, you are probably in the market for a reputable and qualified contractor. One of the first and best sources to check is the **Louisiana Licensing Board for Contractors** at 1-800-256-1392 or 1-225-765-2301 www.lslbc.louisiana.gov whose duty it is to check and monitor contractors for the public. **The Louisiana Licensing Board for Contractors** should be able to tell you if contractors are (a) reputable and (b) licensed, insured and bonded. **The Better Business Bureau (BBB)** www.bbb.org in your area is also an excellent source of information. Natural disasters inevitably attract con artists who may overcharge, perform shoddy work and/or skip town with your money.

The Consumer Protection Section of the Office of the Attorney General offers the following guidelines and the attached Model Contract as suggestions to help consumers avoid possible misunderstandings about home improvements. If you follow these guidelines and insist upon a written contract, some of the most common problems with home repair contractors might be avoided. If your contractor does not offer you a written contract, you should ask him to complete and sign the model contract form attached to these guidelines. If in doubt, or if you are preparing to spend a lot of money, you should consult with a qualified attorney or

check with your pre-paid legal service provider and review the contract **before you sign.**

Since our honest builders are so busy, many people are hesitant to demand all of the suggested information for fear of losing the builder. If you have this same concern, just hand the builder this brochure and tell him/her, "The Attorney General said this information is essential."

1. **Get at least three estimates (bids).** Be certain each contractor bids on exactly the same work. If one contractor bids on more work than others, make a note of it. In any event, all bids should be itemized and detailed.
2. **Know who you are dealing with.** Find out the contractor's address and verify it. Ask for and check references (previous customers, bank references, etc...). Inspect work done for others when possible. Make sure the contractor is licensed through **The Louisiana Licensing Board for Contractors**, which can be reached at **800-256-1392**. If he/she is not licensed, you should at least require and see proof of insurance such as workman's compensation, general liability insurance and payment or performance bonds. Otherwise, YOU may unintentionally become the insurer for some or all potential risks. Also check out the contractor's reputation with your local Better Business Bureau (BBB).

3. **Get the name of the contractor's insurer and bonding company.** Call the bonding company and verify that the contractor is insured and for what amount.
4. **A reputable contractor can usually charge building materials and does not normally require a large down payment.** Where a down payment is required, it should not exceed 10% to 25% of the total price. Better yet, accompany the contractor to the building supply store and pay the store for the materials yourself. Have the materials delivered directly to your home/jobsite rather than the contractor's shop.
5. **Be specific.** Have samples, model numbers, pictures or anything else that will show the contractor exactly what you want. If you don't specify the quality of materials in the contract, you are leaving it up to the contractor to decide what material will be used.
6. **Be certain the materials you have selected are what you want.** Changing your mind in the middle of a construction project is costly. If you do change your mind, be prepared to pay extra.
7. **Get a guarantee in writing.** Any contractor not willing to guarantee his/her work is not someone with whom you should be doing business. Accept no verbal agreements. Any

changes in the contract should be in writing and initialed by both parties.

8. **Specify in the contract a beginning and completion date, exact description of work to be done, total cost of job, exact schedule for payment and warranty or guarantee that can be expected.** (If contract is for an hourly rate or on a cost plus basis, get an estimate of the total cost.)
9. **Always pay by check or money order and keep a receipt.** Write all checks to the company, not the individual worker. Make sure all subcontractors are paid to prevent a lien from being placed against your property. **(DO NOT PAY CASH.)**
10. **Keep a signed, legible copy of the contract in a safe place.**
11. **DO NOT sign a certificate of completion or make final payment until you are satisfied with all work performed.** Save copies of all building material receipts so you can be sure you received goods and services for which you paid. NOTE: Often on large projects payment is based on portions of completed work, i.e. 25% of total payment is due when 25% of the work has been satisfactorily completed.

Price Gouging

- Price gouging often accompanies natural disasters. Gouging is when someone charges exorbitant and unjustified prices for products or services that disaster victims have little choice but to buy.
- Louisiana's Unfair Trade Practices and Consumer Protection Act outlaws unfair and deceptive practices like price gouging. There are both criminal and civil penalties for price gouging.
- Report price gougers to our Consumer Protection Section at our toll-free number: 1-800-351-4889. Also, you can email us at pricegougingreport@ag.state.la.us. Additionally, you can file a report at www.agbuddycaldwell.com. You can always call our Consumer Section directly at 225-326-6400.

Fake Officials

- Ask for identification.
- Some con artists portray themselves as officials to obtain access into your home. This is a common ploy for burglars and individuals selling expensive and unnecessary repairs.
- Others represent themselves as brokers who say they can obtain FEMA funds. FEMA does not charge an application fee.
- Verify credentials of people offering low-interest government loans. Call the agency if necessary.

Photographs/Cell Phone Camera

- Take pictures of home damage before repair work begins.
- Take pictures of your contractor, the employees, vehicle license plates, company names on side of vehicles, etc...
- Take pictures as work on your home progresses.
- Don't forget to save your photos/images.

Phony Phoners

- Dishonest telemarketers call flood victims offering "flood-safety kits" for hundreds of dollars. Say, "Good-bye!"
- Do not give your credit card or checking account number to anyone you don't know.
- Ask for details in writing and be wary when the term "government approved" is used.
- Do not fall for prize promotions where you have to buy something to get a prize.

Appliances

- If a repair person says an expensive appliance should be replaced, get the opinion and replacement cost in writing and get a second opinion.
- For all repair work, make sure the contract lists materials to be used and completion date.
- Ask to see a license.

Pest Control

- Receding flood waters will bring out pests.
- Beware of free inspections that could result in unnecessary and expensive treatments.
- Get a second opinion.

Water Treatment Devices

- Be aware of unscrupulous companies selling water-treatment devices.
- If you think your drinking water may have been affected by the storms, contact the public health or water department before purchasing a water treatment unit.
- Offers to test the tap water in your home for free are almost always a part of a sales promotion. Home water treatment is seldom needed for health protection and no single device can solve all kinds of water problems.
- Contact the health department with questions concerning private wells.
- If in doubt, boil your water vigorously at least for one full minute or drink bottled water until you can follow the guidelines.
www.epa.gov

Auto Repairs

- If your car was submerged or standing in a foot or more of water for more than an hour, have the car checked out by a car dealer or a repair shop. Even if the car runs, there may be hidden damage that could pose serious

problems at some later date.

- Be sure to get detailed written estimates and keep copies of all receipts and invoices.
- If you are in the market to buy a used vehicle, inspect it carefully. Look at hidden parts or crevices to check for mud or silt, an indication the car has been water damaged.

Checklist

- Contractor name, local address and telephone number
- Insurer's name, policy number and amount
- Bonding company name, bond number and amount
- Louisiana contractor's license number
- Check references
- Written contract
- Written guarantee

**To File A Report Call:
1-800-351-4889**

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To find more consumer information go to our website:

www.agbuddycaldwell.com

You can always call the Consumer Section directly at 225-326-6400.

MODEL CONTRACT

Company's Name _____
Street Address _____
Mailing Address _____
Telephone Number _____

Buyer's Name _____
Address _____
Telephone Number _____

This model contract is distributed by the Consumer Protection Section of the Office of the Attorney General. The Consumer Protection Section does not endorse or recommend any company or individual who might use this form.

PROPOSAL:

Starting Date: _____

Completion Date: _____

ITEMIZED COSTS:

Materials: Type, Description, Quantity

Labor: Description

Total Cost: Material & Labor
 Down Payment
 Balance Due:

(to be paid on satisfactory completion or schedule based on completed work)

Warranty/Guarantee

LICENSE, INSURANCE, BOND (for optional/recommended contract license information, workman's compensation, general liability, performance and payment bond information, etc., attach additional pages as needed)

ACCEPTANCE OF PROPOSAL: The above prices, specifications and conditions are satisfactory and I accept them as written. Any additions to this proposal will be in writing and initialed by both parties.

Buyer's Signature _____ Seller's Signature _____
Date of Acceptance _____ Date of Acceptance _____

RECEIPT FOR CASH DOWN PAYMENT
(NOT TO EXCEED 25% OF TOTAL CONTRACT)

Received from _____

\$ _____

Date _____

Signature of Seller/Contractor _____